



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY SECRETARY

November 4, 2011

The Honorable Rick Snyder
Office of the Governor
P.O. Box 30013
Lansing, MI 48909

Dear Governor Snyder:

During the week of September 19, 2011, staff from the State Fiscal Stabilization Fund (SFSF) program from the U.S. Department of Education conducted the first of two monitoring reviews of your State's implementation of the SFSF program. Your State's SFSF contacts were extremely helpful in coordinating and responding to this desk review.

During the monitoring review, we discussed your State's policies, procedures, and activities related to the SFSF program. We spoke with officials at local educational agencies (LEAs) and public institutions of higher education (IHEs) that have received Education Stabilization Fund grants, as well as with representatives of entities that have received Government Services Fund grants. A complete description of the scope of the monitoring review and the SFSF monitoring protocols are available on the Department's website at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

The Department found that the State implemented the program expediently and effectively in order to meet the financial needs of LEAs, IHEs, and other State agencies. This report demonstrates Michigan's commitment to ensuring that the funds were spent quickly, while balancing the need for accountability and transparency.

The Department commends Michigan for managing its SFSF grant funds entirely on a reimbursement basis. All expenditures at the subrecipient level were attested to prior to the request for funds. Further, when the State received requests for reimbursement, it immediately transferred money to subrecipients from the State account, then reimbursed itself. These reimbursement procedures helped the State of Michigan to ensure that the State and its subrecipients adhered to cash management principles. The Department did not identify any issues regarding the State's implementation of the program.

In addition, I would like to express our gratitude for the cooperation and responsiveness of the staff in Michigan. Monitoring not only helps States to achieve high-quality implementation but also helps the Department to improve its role as an advisor and partner with States in this effort. As we work together, we want this process to be interactive and helpful.

<http://www.ed.gov>

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The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

We will be contacting your office in the future to schedule the second monitoring review of the State's implementation of the SFSF program. We look forward to collaborating with you and the other officials in Michigan who are working on this critical educational initiative.

Sincerely,

Ann Whalen
Director, Policy and Program Implementation
Implementation and Support Unit

cc: Shulawn Doxie